

HOUSE BILL 2957
By Head

AN ACT to amend Tennessee Code Annotated, Title 3; Title 4; Title 7; Title 8; Title 9; Title 11; Title 16; Title 18; Title 20; Title 29; Title 30; Title 31; Title 32; Title 35; Title 36; Title 38; Title 39; Title 40; Title 43; Title 45; Title 47; Title 48; Title 49; Title 50; Title 54; Title 55; Title 56; Title 57; Title 60; Title 61; Title 62; Title 63; Title 64; Title 65; Title 66; Title 67; Title 68; Title 70 and Title 71, relative to state taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-102(2), is amended by deleting the language therein in its entirety and substituting instead the following:

"Business" includes any activity engaged in by any person, or caused to be engaged in by such person, with the object of gain, benefit, or advantage, either direct or indirect. "Business" includes occasional and isolated sales and transactions involving the transfer of aircraft, vessels, or motor vehicles between corporations or other business entities and their members or stockholders. "Business" includes transactions caused by the merger, consolidation, or reorganization of corporations or other business entities. "Business" also includes occasional and isolated sales or transactions of aircraft, vessels, or motor vehicles between partnerships and the partners thereof and transfers between separate partnerships. Sales or transactions involving aircraft based

in this state shall be presumed to be made and taxable in this state; and any registration reflecting such aircraft which are so based shall constitute evidence thereof; "Business" does not include occasional and isolated sales or transactions by a person not regularly engaged in business, or the occasional and isolated sale at retail or use of services sold by, or purchased from, a person not regularly engaged in business as a vendor of taxable services, or from one who is such a vendor but is not normally a vendor with respect to the services sold or purchased in such occasional or isolated transaction;

SECTION 2. Tennessee Code Annotated, Section 67-6-102(24), is amended by deleting subdivisions (E) and (H) in their entirety, and is further amended by deleting subdivision (F) in its entirety and substituting instead the following:

(F)

(i) "Retail sale," "sale at retail" and "retail sales price" includes any service, and such service is subject to tax under this chapter, when that service is performed in Tennessee for a consideration. It is the legislative intent that all services performed in Tennessee be subject to sales tax unless specifically exempted in this chapter.

(ii) With respect to services, other than telecommunication services, such services shall be considered to be performed in Tennessee if:

(a) Performed completely in Tennessee; or

(b) Performed partially in Tennessee and partially outside of Tennessee, when the recipient or user of the service is located in Tennessee; or

(c) Performed partially in Tennessee and partially outside of Tennessee, if the recipient or user of the service is not located in Tennessee, but only to the extent of those services actually performed in Tennessee; or

(d) The place of performance cannot be determined, if the recipient or user of the service is located in Tennessee.

(iii) With respect to services, other than telecommunication services, such services performed partially in Tennessee and partially outside of Tennessee shall be presumed to have been performed completely in Tennessee unless the taxpayer can show the place of performance by clear and cogent evidence.

(iv) With respect to interstate telecommunication services, only those charges for interstate telecommunications which are originated or received in this state and which are billed or charged to a service address in Tennessee shall be subject to tax;

SECTION 3. Tennessee Code Annotated, Section 67-6-102, is amended by deleting subdivision (D) of paragraph (30) in its entirety and substituting instead the following:

“Telecommunications” does not include television programming or television services delivered by a provider of direct-to-home satellite service.

SECTION 4. Tennessee Code Annotated, Section 67-6-102, is amended by adding the following new subsection:

() "Service" means all activities engaged in for other persons for a consideration, when the primary objective of the purchaser is the receipt of the benefit (if any) of the activity performed, as distinguished from the receipt of property. In determining what is a service, the intended use or stated objective of the contracting parties shall not necessarily be controlling.

SECTION 5. Tennessee Code Annotated, Section 67-6-205, is amended by adding the following new subsection:

() The crediting provisions of Sections 67-6-313(f) and 67-6-507(a) are specifically made applicable to the services described in Section 67-6-102(24)(F)(i), when all or part of the performance of those services takes place outside of Tennessee.

SECTION 6. Tennessee Code Annotated, Title 67, Chapter 6, Part 2 is

amended by adding the following new sections:

(a) There is levied a tax at the rate of four and one-quarter percent (4.25%) of the cost price for all services taxable under this chapter when the same are not sold but are used or consumed; provided, that there shall be no duplication of the tax.

(b) Notwithstanding any other provision of law to the contrary, all revenue generated by the tax on medical services, as defined in subsection (c), shall be deposited in the state general fund and earmarked for the TennCare program or any subsequent program; provided, however, that such earmarked funds shall not diminish appropriations for the TennCare program or any subsequent program.

(c) "Medical services" shall mean any service obtained at, or through, a hospital, nursing home, or from any health care practitioner required to be licensed under Title 63, except veterinarians, athletic trainers, and electrologists.

SECTION 7. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

Exempt from the tax imposed by this chapter are services performed by bona fide employees for their employers, to the extent their compensation is in the form of salary, commissions, or other compensation traditionally and normally provided to bona fide employees. Whether or not a person is a bona fide employee shall be determined based on the totality of the circumstances. Factors to be considered include, but are not limited to, whether the person paying the compensation reports employee compensation to the internal revenue service, whether the alleged employee is covered under workers

compensation laws, and whether the employer pays payroll taxes on account of its employment of the alleged employee.

SECTION 8. Tennessee Code Annotated, Section 67-6-103, is amended by deleting subsection (f).

SECTION 9. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following as a new section:

Notwithstanding any other provision of law to the contrary, the rate of any tax imposed under Sections 67-6-202, 67-6-205 or 67-6-212 shall be six percent (6%) if such taxes are to be distributed pursuant to Section 67-6-103(d).

SECTION 10. Tennessee Code Annotated, Section 67-6-202(a), is amended by deleting the language "at the rate of six percent (6%) of" and by substituting instead the language "on" and by adding at the end of the subsection the language "The tax shall be levied at a rate of seven percent (7.0%) beginning thirty (30) days after this act becomes law and extending through June 30, 2002. Beginning July 1, 2002, the rate shall be four and one-quarter percent (4.25%)."

SECTION 11. Tennessee Code Annotated, Section 67-6-203(a), is amended by deleting the language "six percent (6%)" and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of §67-6-202".

SECTION 12. Tennessee Code Annotated, Section 67-6-204, is amended by deleting the language "six percent (6%)" wherever it appears and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of §67-6-202".

SECTION 13. Tennessee Code Annotated, Section 67-6-205(a), is amended by deleting the language "six percent (6%)" and by substituting instead the language "the tax levied on the sale of tangible personal property at retail by the provisions of §67-6-202".

SECTION 14. Tennessee Code Annotated, Sections 67-6-206 and 67-6-207, are amended by deleting the sections in their entirety.

SECTION 15. Tennessee Code Annotated, Section 67-6-209, is amended by deleting the language therein in its entirety and substituting instead the following:

(a) Where a manufacturer, producer, compounder or contractor erects or applies tangible personal property, which the manufacturer, producer, compounder or contractor has manufactured, produced, compounded or severed from the earth, such person so using the tangible personal property shall pay the tax herein levied on the fair market value of such tangible personal property when used, without any deductions whatsoever; provided, that the foregoing shall not be construed to apply to contractors or subcontractors who fabricate, erect or apply tangible personal property which becomes a component part of a building, and which is not sold by them as a manufactured item.

(b) Where a contractor or subcontractor hereinafter defined as a dealer uses tangible personal property in the performance of the contract, or to fulfill contract or subcontract obligations, whether the title to such property be in the contractor, subcontractor, contractee, subcontractee, or any other person, or whether the title holder of such property would be subject to pay the sales or use tax, such contractor or subcontractor shall pay a tax at the rate prescribed by Section 67-6-203 measured by the purchase price of such property, unless such property has been previously subjected to a sales or use tax, and the tax due thereon has been paid.

(c) The tax imposed by this section shall have no application where the contractor or subcontractor, and the purpose for which such tangible personal property is used, would be exempt from the sales or use tax under any other provision of this chapter. However, the transfer of tangible personal property by a contractor who contracts for the installation of such tangible personal property as an improvement to realty does not constitute a sale, except as provided in Section 67-6-102(8).

SECTION 16. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by deleting Sections 67-6-216, 67-6-217, 67-6-218, 67-6-219, 67-6-221, 67-6-224, and 67-6-226 in their entirety.

SECTION 17. Tennessee Code Annotated, Section 67-6-227, is amended by deleting the language “eight and one-quarter percent (8.25%)” and by substituting instead the language “five and three-quarters percent (5.75%)”.

SECTION 18. Tennessee Code Annotated, Section 67-6-301 is amended by deleting the language therein in its entirety and substituting instead the following:

The tax imposed by this chapter shall not apply to the direct product of the soil in the hands of the producer, and his immediate vendee.

SECTION 19. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by deleting Sections 67-6-302, 67-6-303, 67-6-304, 67-6-305, 67-6-307, 67-6-309, 67-6-310, 67-6-311, and 67-6-312 in their entirety.

SECTION 20. Tennessee Code Annotated, Section 67-6-313, is amended by deleting subsections (b) through (j) in their entirety.

SECTION 21. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by deleting Sections 67-6-314, 67-6-316, 67-6-317, 67-6-318, 67-6-319, 67-6-320, 67-6-321, 67-6-322, 67-6-325, 67-6-327, and 67-6-328 in their entirety.

SECTION 22. Tennessee Code Annotated, Section 67-6-329, is amended by deleting the language therein in its entirety and substituting instead the following:

(a) The sale at retail, the use, the consumption, the distribution and the storage for use or consumption in this state of the following tangible personal property is specifically exempted from the tax imposed by this chapter:

(1) "Gasoline" as defined by statute in Tennessee, upon which a privilege tax per gallon is paid, and not refunded, except that pre-mixed engine fuel containing gasoline and oil, produced for use in two-cycle engines and not for

use in the propulsion of an aircraft, vessel or any other vehicle, that is sold in containers of one (1) gallon or less, is not exempt from the tax imposed by this chapter.

(2) Motor vehicle fuel now taxed per gallon by Chapter 3, Part 13 of this title;

(b) No provision of this section shall be construed to amend or repeal the provisions of Section 67-6-301.

SECTION 23. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by deleting Sections 67-6-330, 67-6-331, 67-6-332, 67-6-333, 67-6-334, 67-6-335, 67-6-336, 67-6-339, 67-6-340, 67-6-342, 67-6-344, 67-6-346, 67-6-347, 67-6-348, 67-6-349, 67-6-350, 67-6-351, 67-6-352, 67-6-353, 67-6-354, 67-6-355, and 67-6-356 in their entirety.

SECTION 24. Tennessee Code Annotated, Title 67, Chapter 6, Part 5, is amended by deleting Sections 67-6-528, 67-6-529, and 67-6-530 in their entirety.

SECTION 25. Tennessee Code Annotated, Section 67-6-702, in subdivision (a)(1) thereof, is amended by deleting the words and symbols “two and three-fourths percent (2 3/4%)” and substituting “the amount prescribed in subdivision (a)(2)”.

SECTION 26. Tennessee Code Annotated, Section 67-6-702, is amended in subdivision (a) by adding the following as a new subdivision, designated (2), and renumbering the succeeding subdivisions accordingly:

(2)

(a) If on January 1, 2001, the local option rate in a county, city or town was two and three-quarters percent (2.75%), then the local option rate may not exceed two percent (2%). If on January 1, 2001, the local option rate in a county, city or town was two and one-half percent (2.5%), then the local option rate may not exceed one and three-quarters percent (1.75%). If on January 1, 2001, the local option rate in a county, city or town was less than two and one-half percent

(2.5%), then the local option rate may not exceed one and one-half percent (1.5%). On the effective date of this subdivision, all local option rates exceeding the applicable maximum are reduced to the maximum allowed by this subdivision.

(b) Notwithstanding the provisions of subdivision (a), any existing local option rate as of January 1, 2001, shall continue with respect to any tax imposed under this section if such taxes are to be distributed pursuant to Sections 67-6-103(d) or 67-6-712(c).

SECTION 27. Tennessee Code Annotated, Section 67-6-702, is amended in subdivision (f) by deleting “two and twenty-five hundredths percent (2.25%)” and substituting “one and one-half percent (1.5%)”.

SECTION 28. Tennessee Code Annotated, Section 7-88-103(1), is amended by deleting the second sentence and substituting the following:

In the event the state or local option rate for sales and use tax should change after a municipality has made application under this chapter or during the period any municipality is receiving an apportionment pursuant to this chapter, the department of revenue, after consultation with the commissioner of finance and administration, shall adjust the base tax revenues to reflect such change in tax rate so as to provide for substantially the same economic benefit to the municipality and substantially the same overall allocation of revenue between the municipality and the state as is provided in this chapter;

SECTION 29. Tennessee Code Annotated, Section 3-6-104(g), is amended by deleting the subsection in its entirety.

SECTION 30. Tennessee Code Annotated, Section 3-6-113, is amended by deleting the last sentence.

SECTION 31. Tennessee Code Annotated, Section 7-52-606(b), is amended by deleting subdivisions (1) and (2).

SECTION 32. Tennessee Code Annotated, Section 8-4-115(g), is amended by deleting the subsection in its entirety.

SECTION 33. Tennessee Code Annotated, Section 8-22-117, is amended by deleting the section in its entirety.

SECTION 34. Tennessee Code Annotated, Section 8-35-211(c)(1), is amended by deleting the last sentence.

SECTION 35. Tennessee Code Annotated, Section 8-36-111, is amended by deleting the language "state,".

SECTION 36. Tennessee Code Annotated, Section 9-4-5301, is amended by deleting the section in its entirety.

SECTION 37. Tennessee Code Annotated, Section 9-8-308, is amended by deleting the section in its entirety.

SECTION 38. Tennessee Code Annotated, Section 9-9-103(a), is amended by deleting the subsection in its entirety and by substituting instead the language "For the payment of the principal and interest of the outstanding bonds and obligations of the state of Tennessee, there is pledged the full faith and credit of the state.".

SECTION 39. Tennessee Code Annotated, Section 9-9-104, is amended by deleting the section in its entirety.

SECTION 40. Tennessee Code Annotated, Section 9-9-105, is amended by deleting the section in its entirety.

SECTION 41. Tennessee Code Annotated, Section 9-9-111, is amended by deleting the section in its entirety.

SECTION 42. Tennessee Code Annotated, Section 9-9-112, is amended by deleting the language ", except inheritance, transfer and estate taxes".

SECTION 43. Tennessee Code Annotated, Section 11-14-401, is amended as follows:

(1) Subsection (b)(2) is amended by deleting from the first sentence the language "using the proceeds from the increase in revenues resulting from the 1986 increase in the tax levied in §67-4-409".

(2) Subsections (c) and (d) are amended by deleting the language ", § 67-4-409,".

SECTION 44. Tennessee Code Annotated, Section 16-3-808(b), is amended by deleting the subsection in its entirety.

SECTION 45. Tennessee Code Annotated, Section 16-15-5007, is amended by deleting all language following the second sentence of the section.

SECTION 46. Tennessee Code Annotated, Section 16-15-5008, is amended by deleting the section in its entirety.

SECTION 47. Tennessee Code Annotated, Section 18-6-108, is amended by placing a period after the words "same for registration" and by deleting the remainder of the section.

SECTION 48. Tennessee Code Annotated, Section 20-12-102, is amended by deleting the section in its entirety.

SECTION 49. Tennessee Code Annotated, Section 29-4-103, is amended by deleting the words "and state tax".

SECTION 50. Tennessee Code Annotated, Section 29-20-401(f)(1), is amended by deleting the last sentence.

SECTION 51. Tennessee Code Annotated, Section 30-4-103(6)(B)(i), is amended by deleting the subitem in its entirety.

SECTION 52. Tennessee Code Annotated, Section 30-4-104(d), is amended by deleting the subsection in its entirety.

SECTION 53. Tennessee Code Annotated, Section 31-4-101(c), is amended by deleting the last sentence and by substituting instead the language "For purposes hereof, in

determining the decedent's gross estate, the value of any life estate or trust for the lifetime benefit of the surviving spouse shall be actuarially determined.".

SECTION 54. Tennessee Code Annotated, Section 31-6-107(b), is amended by deleting the subsection in its entirety.

SECTION 55. Tennessee Code Annotated, Section 35-12-108, is amended by deleting the language "and procurement of any inheritance tax waiver as required by §67-8-417,".

SECTION 56. Tennessee Code Annotated, Section 36-5-901(c)(9), is amended by deleting the subitem in its entirety.

SECTION 57. Tennessee Code Annotated, Section 38-13-104, is amended by deleting the first sentence.

SECTION 58. Tennessee Code Annotated, Section 39-13-709, is amended by deleting the section in its entirety.

SECTION 59. Tennessee Code Annotated, Section 40-14-210(f), is amended by deleting the subsection in its entirety.

SECTION 60. Tennessee Code Annotated, Section 40-24-107(a) and (b), are amended by deleting the subsections in their entirety.

SECTION 61. Tennessee Code Annotated, Section 40-25-123(b), is amended by deleting the language "and the litigation tax as required by §§67-4-602- 67-4-606,".

SECTION 62. Tennessee Code Annotated, Section 43-16-145, is amended by deleting the section in its entirety.

SECTION 63. Tennessee Code Annotated, Section 45-3-904, is amended by deleting all the language except the last sentence.

SECTION 64. Tennessee Code Annotated, Section 47-25-302(1), is amended by placing a semicolon after the language "concessions of any kind" and by deleting the remainder of the subdivision.

SECTION 65. Tennessee Code Annotated, Section 47-25-302(5), is amended by deleting the subitem and by substituting instead the following language:

(5) "Retailer" means each tobacco vending machine, place, store, booth, concession, truck or vehicle, or person that in any way sells or makes available tobacco products directly to the ultimate consumer;

SECTION 66. Tennessee Code Annotated, Section 47-25-903, is amended by placing a period (.) after the language "transferee for resale" and by deleting the remainder of the section.

SECTION 67. Tennessee Code Annotated, Section 49-3-1005(c), is amended by deleting the subsection in its entirety.

SECTION 68. Tennessee Code Annotated, Section 50-6-208, is amended by deleting the subsection (c) in its entirety and by deleting the second sentence of subsection (d) in its entirety.

SECTION 69. Tennessee Code Annotated, Section 50-6-401(b), (c) and (d), are amended by deleting the subsections in their entirety.

SECTION 70. Tennessee Code Annotated, Section 54-4-103(b)(5), is amended by deleting the subitem in its entirety.

SECTION 71. Tennessee Code Annotated, Section 54-9-201, is amended by deleting the language "an amount not exceeding fifty percent (50%) of state aid funds derived from the distribution of the gasoline tax for rural roads,".

SECTION 72. Tennessee Code Annotated, Section 54-9-203(4), is amended by deleting the language "but the amount irrevocably pledged from state aid funds, derives from the proceeds of the gasoline tax distributed to the counties, shall not exceed fifty percent (50%) thereof,".

SECTION 73. Tennessee Code Annotated, Section 54-11-221(a), is amended by deleting the language "not to exceed, in any year, the amount of the state tax,".

SECTION 74. Tennessee Code Annotated, Section 55-3-105, is amended by deleting the language "title 67, chapter 6, part 2," and by substituting instead the language "Title 67, Chapter 6, Part 7".

SECTION 75. Tennessee Code Annotated, Section 55-4-101(a)(2), is amended by deleting the subitem in its entirety.

SECTION 76. Tennessee Code Annotated, Section 55-4-113, is amended by deleting the section in its entirety.

SECTION 77. Tennessee Code Annotated, Section 55-4-115(b)(1) and (2), are amended by deleting the language "tax,".

SECTION 78. Tennessee Code Annotated, Section 55-4-505(a), is amended by deleting the subsection in its entirety.

SECTION 79. Tennessee Code Annotated, Section 55-9-602(g)(3), is amended by deleting the language "litigation tax levied pursuant to the provisions of title 67, chapter 4, part 6, shall be imposed or assessed against anyone convicted of a violation of this subsection, nor shall any" and by inserting the word "shall" in the remainder of the sentence before the language "be imposed".

SECTION 80. Tennessee Code Annotated, Section 55-9-603(e), is amended by deleting the second sentence.

SECTION 81. Tennessee Code Annotated, Section 56-2-106(c), is amended by deleting the subsection in its entirety.

SECTION 82. Tennessee Code Annotated, Title 56, Chapter 4, Parts 2, 3 and 4, are amended by deleting the parts in their entirety.

SECTION 83. Tennessee Code Annotated, Section 56-7-906(j)(4), is amended by deleting the subitem in its entirety.

SECTION 84. Tennessee Code Annotated, Section 56-12-115, is amended by deleting the section in its entirety.

SECTION 85. Tennessee Code Annotated, Section 56-12-119, is amended by deleting the section in its entirety.

SECTION 86. Tennessee Code Annotated, Section 56-13-128, is amended by deleting the section in its entirety.

SECTION 87. Tennessee Code Annotated, Section 56-14-113, is amended by deleting the section in its entirety.

SECTION 88. Tennessee Code Annotated, Section 56-17-113, is amended by deleting the language "and tax" and the language "and 56-4-205".

SECTION 89. Tennessee Code Annotated, Section 56-21-125, is amended by deleting the last sentence.

SECTION 90. Tennessee Code Annotated, Section 56-23-108(b), is amended by deleting the subsection in its entirety.

SECTION 91. Tennessee Code Annotated, Section 56-25-1304(c), is amended by deleting the last sentence.

SECTION 92. Tennessee Code Annotated, Section 56-32-224, is amended by deleting the section in its entirety.

SECTION 93. Tennessee Code Annotated, Section 56-35-107, is amended by deleting the section in its entirety.

SECTION 94. Tennessee Code Annotated, Section 56-35-133(d)(4), is amended by deleting the subitem in its entirety.

SECTION 95. Tennessee Code Annotated, Section 56-41-109(b)(1), is amended by deleting the last sentence.

SECTION 96. Tennessee Code Annotated, Section 56-51-152, is amended by deleting subsections (a), (c) and (d) in their entirety.

SECTION 97. Tennessee Code Annotated, Sections 57-1-204, 57-1-205, and 57-1-207, are amended by deleting the sections in their entirety.

SECTION 98. Tennessee Code Annotated, Section 57-2-102, is amended by deleting from subsection (a) the language "to the state and".

SECTION 99. Tennessee Code Annotated, Section 57-3-104(c), is amended by deleting subdivision (4) in its entirety, and by substituting instead the following language:

(4) Make, promulgate, alter, amend or repeal rules and regulations for the enforcement of this chapter or the collections of all license fees, and all penalties and forfeitures relating thereto;

SECTION 100. Tennessee Code Annotated, Section 57-3-104(c), is further amended by deleting subdivision (5) in its entirety, and by substituting instead the following language:

(5) Prescribe all forms of application and licenses, and of all reports and all other papers and documents required to be used under or in the enforcement of this chapter;

SECTION 101. Tennessee Code Annotated, Section 57-3-109, is amended by deleting the section in its entirety.

SECTION 102. Tennessee Code Annotated, Section 57-3-204(h), is amended by placing a period after the language "manufacturer directly" and by deleting the remainder of the subsection.

SECTION 103. Tennessee Code Annotated, Section 57-3-207(g) and (l), are amended by deleting the subsections in their entirety.

SECTION 104. Tennessee Code Annotated, Section 57-3-207(m), is amended by deleting the last sentence.

SECTION 105. Tennessee Code Annotated, Section 57-3-301(b), (c), and (d), are amended by deleting the subsections in their entirety.

SECTION 106. Tennessee Code Annotated, Sections 57-3-302 - 57-3-307, are amended by deleting the sections in their entirety.

SECTION 107. Tennessee Code Annotated, Title 57, Chapter 4, Part 3, is amended by deleting the part in its entirety.

SECTION 108. Tennessee Code Annotated, Title 57, Chapter 4, Part 3, is amended by adding the following language as a new section:

Section _____. Any person who engages in the business of selling at retail in this state alcoholic beverages for consumption on the premises is exercising a taxable privilege and each county or municipality within which such privilege is exercised is authorized to levy and collect a privilege tax on such privilege. In any county where metropolitan government prevails, the urban services district shall constitute the municipality and the general services district shall constitute the county insofar as levying such tax.

SECTION 109. Tennessee Code Annotated, Section 57-5-201(a) and (b), are amended by deleting the subsections in their entirety.

SECTION 110. Tennessee Code Annotated, Section 57-5-202(a) and (b), are amended by deleting the subsections in their entirety.

SECTION 111. Tennessee Code Annotated, Sections 57-5-203 - 57-5-208, are amended by deleting the sections in their entirety.

SECTION 112. Tennessee Code Annotated, Title 57, Chapter 6, Parts 1 and 2, are amended by deleting the parts in their entirety.

SECTION 113. Tennessee Code Annotated, Section 60-1-101(2) and (3), are amended by deleting the last sentence of each subdivision.

SECTION 114. Tennessee Code Annotated, Title 60, Chapter 1, Part 3, is amended by deleting the part in its entirety.

SECTION 115. Tennessee Code Annotated, Section 60-3-112(a), is amended by deleting the subsection in its entirety.

SECTION 116. Tennessee Code Annotated, Section 61-1-114(f), is amended by deleting the subsection in its entirety.

SECTION 117. Tennessee Code Annotated, Section 61-2-1101(g), is amended by deleting the language "corporate tax,".

SECTION 118. Tennessee Code Annotated, Section 62-29-102(2)(B), is amended by deleting the last sentence.

SECTION 119. Tennessee Code Annotated, Section 62-29-104, is amended by deleting the section in its entirety.

SECTION 120. Tennessee Code Annotated, Section 62-43-121, is amended by deleting the language "this state or".

SECTION 121. Tennessee Code Annotated, Section 63-6-207(d)(1)(D), is amended by deleting the subitem in its entirety.

SECTION 122. Tennessee Code Annotated, Section 63-9-104(d)(5), is amended by deleting the subdivision in its entirety.

SECTION 123. Tennessee Code Annotated, Section 63-18-213, is amended by deleting the language "state or".

SECTION 124. Tennessee Code Annotated, Sections 64-1-103(a)(1), 64-1-808(1), and 64-1-1008, are amended by deleting the words "and state".

SECTION 125. Tennessee Code Annotated, Section 65-11-113(c), is amended by deleting the subsection in its entirety.

SECTION 126. Tennessee Code Annotated, Section 65-25-232, is amended by deleting the section in its entirety.

SECTION 127. Tennessee Code Annotated, Section 65-29-129, is amended by deleting the third sentence.

SECTION 128. Tennessee Code Annotated, Section 66-22-105, is amended by placing a period (.) after the words "other instruments" and by deleting the remainder of the section.

SECTION 129. Tennessee Code Annotated, Section 66-24-101(a)(22), is amended by deleting the subdivision in its entirety.

SECTION 130. Tennessee Code Annotated, Section 66-28-102(c)(3), is amended by deleting the language "state," and the language "under the Excise Tax Act".

SECTION 131. Tennessee Code Annotated, Section 66-30-105, is amended by deleting the language "other than the state transfer tax,".

SECTION 132. Tennessee Code Annotated, Section 68-11-216(d), is amended by deleting the subsection in its entirety.

SECTION 133. Tennessee Code Annotated, Section 68-11-830(d), is amended by deleting the subsection in its entirety.

SECTION 134. Tennessee Code Annotated, Section 68-115-211(a), (b), (d), (e) and (f), are amended by deleting the subsections in their entirety.

SECTION 135. Tennessee Code Annotated, Section 68-115-403, is amended by deleting the section in its entirety.

SECTION 136. Tennessee Code Annotated, Section 68-120-507(a), is amended by deleting the subsection in its entirety.

SECTION 137. Tennessee Code Annotated, Section 68-215-110(h)(3)(A), is amended by placing a period (.) after the words "monthly basis" in the first sentence and by deleting the remainder of the sentence.

SECTION 138. Tennessee Code Annotated, Title 70, Chapter 3, Part 1, is amended by deleting the part in its entirety.

SECTION 139. Tennessee Code Annotated, Section 70-5-111(a)(2), is amended by deleting the subdivision in its entirety.

SECTION 140. Tennessee Code Annotated, Section 71-4-1204(a)(2) and (3), are amended by deleting the language "and state".

SECTION 141. Tennessee Code Annotated, Title 67, Chapter 1, Part 1, is amended as follows:

(1) in Section 67-1-102, by deleting subdivisions (b)(1), (2), and (8) and subsection (c) in their entirety; and

(2) by deleting Sections 67-1-104, 67-1-106, 67-1-107, 67-1-108, 67-1-109, 67-1-110, 67-1-111 and 67-1-112 in their entirety.

SECTION 142. Tennessee Code Annotated, Section 67-1-602, is amended by deleting the section in its entirety and by substituting instead the following language:

The levy of any tax on any species of property or privilege by a county legislative body shall be equal and uniform.

SECTION 143. Tennessee Code Annotated, Section 67-1-701(a), is amended by deleting the language "state," and subsection (c) is amended by deleting the language "state and".

SECTION 144. Tennessee Code Annotated, Section 67-1-702(a), is amended by deleting the language "state,".

SECTION 145. Tennessee Code Annotated, Section 67-1-703, is amended by deleting the section in its entirety.

SECTION 146. Tennessee Code Annotated, Section 67-1-704, is amended as follows:

(1) in subsection (a) by deleting the language "to the state";

(2) in subsection (c) by deleting the subsection in its entirety and by substituting instead the language "Trustees, on the payment of county taxes, shall issue to the taxpayers a receipt showing the taxes paid to the county and the purposes for which levied."

SECTION 147. Tennessee Code Annotated, Title 67, Chapter 1, Part 8, is amended by deleting the part in its entirety.

SECTION 148. Tennessee Code Annotated, Section 67-1-1005(b)(1), is amended in the first sentence by deleting the language "state tax" and by substituting instead the language "state".

SECTION 149. Tennessee Code Annotated, Section 67-1-1201, is amended in subsection (a) by deleting the language "taxes,".

SECTION 150. Tennessee Code Annotated, Title 67, Chapter 1, Part 13, is amended by deleting the part in its entirety.

SECTION 151. Tennessee Code Annotated, Section 67-1-1402(b), is amended by deleting the word "state" and by substituting instead the word "public".

SECTION 152. Tennessee Code Annotated, Section 67-1-1403, is amended in subsection (a) by deleting the language "tax or", "taxes", in subsection (c) by deleting the language "taxes or fees, or both" and by substituting instead the language "fees", by deleting subsection (d) in its entirety, and in subsection (e) by deleting the language "state tax lien" and substituting instead the language "state lien".

SECTION 153. Tennessee Code Annotated, Sections 67-1-1405, 67-1-1406, 67-1-1434, is amended by deleting the language "tax" wherever it appears and by substituting instead the word "fee".

SECTION 154. Tennessee Code Annotated, Sections 67-1-1431 and 67-1-1432, are amended by deleting the sections in their entirety.

SECTION 155. Tennessee Code Annotated, Section 67-1-1442, is amended by deleting the language "tax or" wherever it appears.

SECTION 156. Tennessee Code Annotated, Sections 67-1-1443 and 67-1-1444, are amended by deleting the sections in their entirety.

SECTION 157. Tennessee Code Annotated, Section 67-1-1445, is amended by deleting the language "taxes,".

SECTION 158. Tennessee Code Annotated, Section 67-1-1501, is amended in subsection (a) by deleting the language "state,", "the state or by", and by deleting the language "counties or the state" and by substituting instead the language "or counties" and by deleting subsections (b) and (c) in their entirety.

SECTION 159. Tennessee Code Annotated, Title 67, Chapter 1, Parts 17 and 18, are amended by deleting the parts in their entirety.

SECTION 160. Tennessee Code Annotated, Title 67, Chapter 2, Part 1, is amended by deleting the part in its entirety.

SECTION 161. Tennessee Code Annotated, Title 67, Chapter 3, is amended by deleting the chapter in its entirety; provided, however, all monies in the highway fund on the date this section takes effect shall continue to be distributed and expended in the manner provided by general law on such date as if all relevant language were contained in this act in its entirety.

SECTION 162. Tennessee Code Annotated, Section 67-4-101, is amended by deleting the language "to be taxed, and not", and by substituting instead the language "not to be".

SECTION 163. Tennessee Code Annotated, Section 67-4-102, is amended as follows:

(1) by deleting subsections (a) and (b) in their entirety;

(2) in subsection (d) by deleting the language "and privilege taxes" and by substituting instead the word "fees"; and

(3) in subsection (e)(1) by deleting the language "or privilege tax" and by substituting instead the word "fee" and by inserting the language "or any license or privilege tax to" between the word "or" and the word "any county";

SECTION 164. Tennessee Code Annotated, Section 67-4-110, is amended by deleting the section in its entirety.

SECTION 165. Tennessee Code Annotated, Section 67-4-111, is amended by deleting the language "state and".

SECTION 166. Tennessee Code Annotated, Section 67-4-113, is amended by deleting the section in its entirety.

SECTION 167. Tennessee Code Annotated, Section 67-4-201(b)(2), is amended by deleting the language "state,".

SECTION 168. Tennessee Code Annotated, Section 67-4-203, is amended by deleting the section in its entirety.

SECTION 169. Tennessee Code Annotated, Section 67-4-204, is amended by deleting the language "this part and parts 3-6" and by substituting instead the language "parts 5-6".

SECTION 170. Tennessee Code Annotated, Section 67-4-206(a), is amended by deleting the language "this part and parts 3-6 of this chapter" and by substituting instead the language "parts 5-6 of this chapter" and by deleting the remainder of the subsection. Section 67-4-206 is further amended by deleting subsection (d) in its entirety.

SECTION 171. Tennessee Code Annotated, Title 67, Chapter 4, Part 2, is further amended by deleting the language "this part and parts 3-6 of this chapter" wherever it appears and by substituting instead the language "parts 5-6 of this chapter".

SECTION 172. Tennessee Code Annotated, Section 67-4-212, is amended by deleting the section in its entirety.

SECTION 173. Tennessee Code Annotated, Section 67-4-213, is amended by deleting the language "state and" in subsection (a) and by deleting subsections (b), (c), (d) and (e) in their entirety.

SECTION 174. Tennessee Code Annotated, Section 67-4-216, is amended by deleting the section in its entirety.

SECTION 175. Tennessee Code Annotated, Title 67, Chapter 4, Part 3, is amended by deleting the part in its entirety.

SECTION 176. Tennessee Code Annotated, Title 67, Chapter 4, Part 4, is amended by deleting the part in its entirety.

SECTION 177. Tennessee Code Annotated, Section 67-4-506, is amended by deleting the section in its entirety.

SECTION 178. Tennessee Code Annotated, Section 67-4-507, is amended by deleting the section in its entirety.

SECTION 179. Tennessee Code Annotated, Title 67, Chapter 4, Part 6, is amended by deleting Sections 67-4-602, 67-4-603, 67-4-604, 67-4-605, and 67-4-606 in their entirety.

SECTION 180. Tennessee Code Annotated, Section 67-4-701, is amended by deleting the section in its entirety.

SECTION 181. Tennessee Code Annotated, Section 67-4-702(a), is amended by deleting subdivisions (2) and (3).

SECTION 182. Tennessee Code Annotated, Section 67-4-703, is amended by deleting the section in its entirety.

SECTION 183. Tennessee Code Annotated, Section 67-4-704(a) and (b), are amended by deleting the language "Subject to the requirements set forth in §67-4-724 relative to the amount of tax required to be forwarded to the state, the" and by substituting instead the word "The".

SECTION 184. Tennessee Code Annotated, Section 67-4-705, is amended by deleting the section in its entirety.

SECTION 185. Tennessee Code Annotated, Section 67-4-708(5), is amended by deleting the subdivision in its entirety.

SECTION 186. Tennessee Code Annotated, Section 67-4-711, is amended by deleting from subsection (b) subdivisions (2) through (8).

SECTION 187. Tennessee Code Annotated, Section 67-4-712(b), is amended by deleting subdivisions (3) and (4).

SECTION 188. Tennessee Code Annotated, Section 67-4-713(a), is amended by deleting subdivision (1).

SECTION 189. Tennessee Code Annotated, Section 67-4-714, is amended by deleting subdivision (2)(E) and subdivision (3) and by placing the word "and" at the end of subdivision (2)(C).

SECTION 190. Tennessee Code Annotated, Section 67-4-715, is amended by deleting subsection (c) in its entirety.

SECTION 191. Tennessee Code Annotated, Section 67-4-716, is amended in subsection (a) by deleting the language "commissioner or any other", and by deleting the language "commissioner or" wherever it appears; in subsection (b) by deleting the language "commissioner or other" and by deleting the language "as the commissioner may require" and by substituting instead the language "as the collector may require".

SECTION 192. Tennessee Code Annotated, Section 67-4-719(a), is amended by deleting subdivision (2)(E) and by placing the word "and" at the end of subdivision (2)(C).

SECTION 193. Tennessee Code Annotated, Section 67-4-719(c), is amended by deleting the language "commissioner and the commissioner of commerce and insurance in the case of taxes owed the state, the".

SECTION 194. Tennessee Code Annotated, Section 67-4-719, is amended by deleting subsections (d) and (e) in their entirety.

SECTION 195. Tennessee Code Annotated, Section 67-4-720, is amended by deleting the language ", under the same criteria and requirements as used by the commissioner of revenue,".

SECTION 196. Tennessee Code Annotated, Section 67-4-722, is amended by deleting the language "sales tax owed the state" and by substituting instead the language "tax owed" and by deleting the language "commissioner, commissioner of commerce and insurance,".

SECTION 197. Tennessee Code Annotated, Section 67-4-723(c)(1), is amended in subdivision (C) by deleting the language "department or of the other".

SECTION 198. Tennessee Code Annotated, Sections 67-4-724 and 67-4-725, are amended by deleting the sections in their entirety.

SECTION 199. Tennessee Code Annotated, Section 67-4-728, is amended by deleting the language "as defined in § 57-6-102".

SECTION 200. Tennessee Code Annotated, Title 67, Chapter 4, is amended by deleting Part 8 in its entirety.

SECTION 201. Tennessee Code Annotated, Title 67, Chapter 4, is amended by deleting Part 10 in its entirety.

SECTION 202. Tennessee Code Annotated, Title 67, Chapter 4, Part 17, is amended by deleting the part in its entirety.

SECTION 203. Tennessee Code Annotated, Title 67, Chapter 4, Part 19, is amended by deleting Sections 67-4-1901, 67-4-1902, 67-4-1903, 67-4-1904, 67-4-1905, and 67-4-1906 in their entirety.

SECTION 204. Tennessee Code Annotated, Title 67, Chapter 4, Part 20, is amended by deleting the part in its entirety.

SECTION 205. Tennessee Code Annotated, Title 67, Chapter 4, Part 21, is amended by deleting the part in its entirety.

SECTION 206. Tennessee Code Annotated, Section 67-5-103(a), is amended by deleting the subsection in its entirety and by substituting instead the following language:

(a) Taxes on property for municipal purposes shall be imposed on the value thereof and shall be collected by the municipal tax collection officials at the time and manner prescribed in this part.

SECTION 207. Tennessee Code Annotated, Section 67-5-201(a)(2) and (b)(3), are amended by deleting the language "state,"

SECTION 208. Tennessee Code Annotated, Section 67-5-211(b), is amended by deleting the language "state," and by placing a period (.) after the language "including the net surplus" and by deleting the remainder of the first sentence.

SECTION 209. Tennessee Code Annotated, Section 67-5-603(a)(2) and (b)(2), is amended by deleting the language "state,".

SECTION 210. Tennessee Code Annotated, Section 67-5-606(b), is amended by deleting the language "state,".

SECTION 211. Tennessee Code Annotated, Section 67-5-1101, is amended by deleting the section in its entirety.

SECTION 212. Tennessee Code Annotated, Section 67-5-1111, is amended by deleting the language "state, county" and by substituting instead the language "county".

SECTION 213. Tennessee Code Annotated, Section 67-5-1113, is amended by deleting the language "state,".

SECTION 214. Tennessee Code Annotated, Section 67-5-1329(b), is amended by deleting the language "state,".

SECTION 215. Tennessee Code Annotated, Section 67-5-1902(b)(3), is amended by deleting the language "in case of all state revenue collected by the trustee, to the commissioner of revenue; and".

SECTION 216. Tennessee Code Annotated, Section 67-5-1903(c), is amended by deleting the language "state," and by deleting the language "the state, or".

SECTION 217. Tennessee Code Annotated, Section 67-5-1904, is amended by deleting the section in its entirety.

SECTION 218. Tennessee Code Annotated, Section 67-5-2005(b) and (c), are amended by deleting the language "state and".

SECTION 219. Tennessee Code Annotated, Section 67-5-2201(2), is amended by deleting the language "the state of Tennessee, or".

SECTION 220. Tennessee Code Annotated, Section 67-5-2410(a)(1)(A) and (B), are amended by deleting the language "state,".

SECTION 221. Tennessee Code Annotated, Section 67-5-2410(b)(1), is amended by deleting the language "state,".

SECTION 222. Tennessee Code Annotated, Section 67-5-2419, is amended by placing a period (.) after the word "chapter" and by deleting the remainder of the section.

SECTION 223. Tennessee Code Annotated, Section 67-5-2501(a)(2), is amended by deleting the language "acting for the state,".

SECTION 224. Tennessee Code Annotated, Section 67-5-2501(a)(3), is amended by deleting the third sentence and by substituting instead the following language:

Third, the remainder shall be applied to the county first and the municipality second, the amount due each to be ascertained by a decree of the court.

SECTION 225. Tennessee Code Annotated, Section 67-5-2501(b)(3), is amended by deleting the language "and third the remainder shall be applied to the state first, county second, and the municipality third, the amount due each to be ascertained by a decree of the court." and by substituting instead the language "and third, the remainder shall be applied to the county first and the municipality second, the amount due each to be ascertained by a decree of the court."

SECTION 226. Tennessee Code Annotated, Section 67-5-2508(b)(2), is amended by deleting the subdivision in its entirety.

SECTION 227. Tennessee Code Annotated, Section 67-5-2513, is amended by deleting subdivision (1) in its entirety.

SECTION 228. Tennessee Code Annotated, Section 67-5-2514(c)(1), is amended by deleting subdivisions (B) and (D) in their entirety and by deleting the word "and" at the end of subdivision (C) and by adding the word "and" at the end of subdivision (A).

SECTION 229. Tennessee Code Annotated, Title 67, Chapter 7, is amended by deleting Part 1 in its entirety.

SECTION 230. Tennessee Code Annotated, Title 67, Chapter 8, is amended by deleting the chapter in its entirety.

SECTION 231. Tennessee Code Annotated, Title 67, Chapter 6, Part 1, is amended by deleting Sections 67-6-101 and 67-6-103, in their entirety.

SECTION 232. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by deleting Sections 67-6-202, 67-6-203, 67-6-204, 67-6-205, 67-6-209(a), (b), (c) and (d), 67-6-220, and 67-6-227 are amended by deleting the sections in their entirety.

SECTION 233. Tennessee Code Annotated, Section 67-6-212(a), is amended by deleting the citation "67-6-202" and by substituting instead the citation "67-6-702".

SECTION 234. Tennessee Code Annotated, Section 67-6-213, is amended by deleting the citation "67-6-202" and by substituting instead the citation "67-6-702".

SECTION 235. Tennessee Code Annotated, Section 67-6-329(a), is amended by deleting subdivisions (1), (2) and (15) in their entirety.

SECTION 236. Tennessee Code Annotated, Title 67, Chapter 6, is amended by deleting Parts 4 and 5 in their entirety.

SECTION 237. Tennessee Code Annotated, Section 67-6-601(a)(1), is amended by placing a period (.) after the word "commissioner" and by deleting the remainder of the section.

SECTION 238. Tennessee Code Annotated, Section 67-6-602(b), is amended by placing a period (.) after the language "within the state" and by deleting the remainder of the first sentence.

SECTION 239. Tennessee Code Annotated, Section 67-6-602(c)(2), is amended by deleting the language "the requirements of § 67-6-513 hereof and with".

SECTION 240. Tennessee Code Annotated, Section 67-6-702(a)(1), is amended by deleting the language "the same" and by deleting the language "in the same manner and".

SECTION 241. Tennessee Code Annotated, Section 67-6-702(b), is amended by deleting the language "as authorized in § 67-6-206".

SECTION 242. Tennessee Code Annotated, Section 67-6-710(a)(1), is amended by deleting the period at the end of the section and adding the language "as such rules and regulations and interest and penalty for delinquencies existed on June 30, 2003."

SECTION 243. Effective July 1, 2003, the Code Commission is directed to delete all references and cross-references to state taxes deleted by this act in effect on June 30, 2003, including references to state-shared taxes, not otherwise specifically deleted by the provisions of this act.

SECTION 244.

(a) Sections 10 through 13 of this act shall take effect upon becoming a law, the public welfare requiring it.

(b) Sections 1 through 9 and Sections 14 through 28 of this act shall take effect July 1, 2002, the public welfare requiring it.

(c) All other sections of this act shall take effect on July 1, 2003, the public welfare requiring it.